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LABOUR-CENTRED DEVELOPMENT IN LATIN AMERICA: TWO CASES OF ALTERNATIVE DEVELOPMENT

Adam Fishwick and Benjamin Selwyn

Abstract

The ‘pink tide’ in Latin America, or what remains of it, is drawing increasing criticisms from the political left for its inability to confront existing socio-structural inequalities. This article contributes to these debates in two ways. First, as a means of understanding better the development strategies that have been followed by left-leaning governments, it highlights and critiques what it labels Elite Development Theory (EDT) encompassing Washington Consensus and Statist Political Economy. It shows how despite its self-stated objectives - the amelioration of the conditions of the poor and their uplifting - EDT is grounded in elite assumptions about social change: States and corporations are posited as prime-movers in the development process while collective efforts of labouring classes to pursue their own developmental strategies are ignored and/or de-legitimated. Exploitation, oppression and the ideological delegitimation of labouring class collective actions form the core of EDT. The second contribution of this article is to argue for an alternative form of what it terms labour-centred development (LCD). This argument is supported through an examination of the Chilean *cordones industriales* and Argentinian *empresas recuperadas por sus trabajadores* (ERT) *movements*. The article concludes that whilst LCD may be a rarity, its existence offers the basis for alternative development theory and strategy.

Key words: Labour-Centred Development, Labouring Classes, Argentina, Chile

1 – INTRODUCTION

It is increasingly common to read critiques, or even obituaries, of the ‘pink tide’ in Latin America from the political left (Webber: 2014, Wallerstein: 2015, Saad-Filho: 2015). These critiques highlight how despite having made some improvements through social policy to the welfare of the poor in the societies over

which they govern(ed), left-wing Latin American governments have supported and encouraged the reproduction of hierarchical and exploitative social relations. These policies - including containment of wage demands, limits on popular participation in resource allocation, resource extractivism based on an openness to foreign direct investment (across economic sectors), and more generally the promotion of indigenous capitalist class formation – reproduce the power of capital over labour. Where they still exist, the progressive shine is rapidly coming off the pink tide regimes. It is necessary, therefore, to reconsider what alternative forms of development look like.

This article contributes to debates about the possibility of pursuing progressive development strategies in Latin America and beyond in two ways. First, it provides a theoretical critique of what it labels Elite Development Theory (EDT). Such a critique shows how, despite many different conceptions of state-society relations, EDT's share an axiomatic common ground which legitimates labour exploitation and oppression. The strands of EDT examined in this article are the Washington Consensus and Statist Political Economy. While these perspectives have significant differences, it is argued here that they share a common axiomatic foundation – that states and capital are prime-movers in, and that labour control is a constitutive feature of, the development process. The neodevelopmentalist strategies pursued across much of Latin America rest upon the same axioms that are foundational to EDT.

Whilst there has been broad praise for Latin America's Pink Tide (Riesco 2007; Wylde 2012), the strategies pursued by these regimes have been critiqued for relying on the deepening exploitation and oppression of worker resistance characteristic of EDT (Leiva 2008; Mariña-Flores 2015). This is increasingly apparent in some leading examples from across the continent. In Brazil, labour and other marginalised social actors have been incorporated into the developmental project of the state, seeing minimal social benefits but the

continuation of the existing social and political order (Saad-Filho 2015; Chodor 2015). The order that preceded Lula remains firmly intact. Hence Alfrado Saad-Filho notes how “[t]here has been no meaningful attempt to reform the Constitution or the political system, challenge the ideological hegemony of neoliberalism, neutralize the mainstream media, or transform the country's economic structure or international integration” (Saad-Filho 2015).

In Ecuador there is a similar picture. Despite offering vague promises of “living well”, the Correa government has focused on consolidating existing economic privilege and power. Jeff Webber argues that “Correa calmed the storm and restored profits in sectors like banking, mining, oil, and agro-industry, and has simultaneously coopted or crushed most independent social movement activity” (Webber 2015).

In both of these instances, state-led neodevelopmentalism has provided the labouring classes with some social and economic benefits and some political inclusion. But this has come at a cost of embedding the prevailing mode of development premised on their continuing exploitation.¹ Such contradictions have now begun to crystallise as the region faces up to the “end of the cycle” of progressive government (Mondonesi 2015; Katz 2016). The resurgence of the Right under Macri in Argentina and the coalition of parties that recently dented PSUV hegemony in Venezuela represent the failure of these governments to meet the popular demands that brought them to power.

¹ The case of Brazil is archetypal of what Castañeda (2006) has referred to as the “good left” in Latin America, adopting pragmatic, reformist strategies that do little to confront the prevailing socio-economic order. Ecuador under Rafael Correa, alternatively, is seen to constitute part of the “bad left” driven by populist-inspired confrontation with domestic and international elites. Yet recent research has shown such crude dichotomies to be severely limiting, with the Pink Tide characterised by differing models of governance and economic and social policies with complex historical origins and relations to earlier neoliberal reforms (Grugel & Riggirozzi 2009; MacDonald & Ruckert 2009a; Silva 2009). Recognising the significance of the diversity across the region, our argument echoes that of MacDonald and Ruckert (2009b: 10) inasmuch as we understand top-down neodevelopmentalism as premised on a “deep conditioning and social engineering” of individuals to market relations. Even the most radical cases, namely Bolivia and, to a lesser extent, Venezuela, remain subject to such processes (Webber 2009; Domingo 2009; Meltzer 2009).

This article argues that developmental processes, whether top-down or bottom-up, are generated primarily through the transformation of class relations. The ability of capital and states to mobilise, discipline and employ labour is the foundation upon which capitalist development, whether state or market-led, is based. The core concerns of EDT – of state capacity, resource mobilisation/generation and structural transformation, and the entrepreneurial drive to innovate and accumulate capital – are based, fundamentally, upon labour control. Without the latter, the former cannot occur.

The second contribution of this article is to identify non-elite forms of human development in Latin America, past and present. To this end it examines the Chilean *cordones industriales* and the Argentinian *empresas recuperadas por sus trabajadores*.² Both of these cases demonstrate the latent and continuing potential for labour to counter elite development strategies and to build political-economic alternatives centred on new priorities. The *cordones industriales*, which emerged in the early 1970s under the socialist government of Salvador Allende show how workers mobilising in response to a proclaimed socialist transition generated new opportunities for development. Occupying their factories, they began to confront the limits imposed by former owners that had begun to drive their firms toward bankruptcy. In conjunction with the state, they brought new life to stagnant sectors like textile production and began independently to transform the management and social organisation of production in the workplace itself.

Our second case study is of the *empresas recuperadas por sus trabajadores* (ERT) in 21st century post-crisis Argentina. With the state vacillating between

² Our inclusion of the Chilean case, despite the plethora of highly significant examples across the region from the “socialist production units” in Venezuela (Larrabure *et al* 2011; Lebowitz 2015) to the landless workers’ movements in Brazil or the Zapatistas in Mexico, is to demonstrate the continuity of LCD. In this view, LCD is not linked to any specific moment of rupture or crisis, but is a contested and unfolding potential borne of struggles by workers in a variety of socio-political and historical contexts.

limited support and open political repression, workers in these plants have revitalised firms that, in many cases, were deliberately being driven toward bankruptcy by their former owners. Occupying workers have transformed the day-to-day organisation and management of these factories and mobilised grassroots networks to consolidate progressive developmental outcomes achieved in the factory and community.

We demonstrate how these movements can exceed many of the indicators of elite forms of development (for example productivity and efficiency). More importantly, however, we argue that such forms of development represent a fundamental challenge to elite development theory and practice, including the neodevelopmentalist strategies pursued across Latin America. We argue, further, that they point the way towards new forms and conceptions of human development, conceptualised here as Labour-Centred Development (LCD).

In both cases labouring class collective actions were initially defensive - in response to the truck-driver's strike in Chile and in response to the threat of mass unemployment in Argentina. However, their subsequent evolution into more offensive organisations (in particular in Chile) demonstrates an important element of Labour-Centred Development (LCD). As labouring class collective actions deepen and expand they make what Michael Lebowitz (2010) calls 'inroads' and 'encroachments' into capital's power over labour. Such inroads might entail, for example, labouring classes taking over capital's decision-making functions such as resource allocation and investment, as well initiating transformations in the social organisation of the workplace. We consider such moves early phases of LCD. We also consider them to be relatively transitory. Depending on the balance of class forces they will either be rolled back by established capitalist forces, or advance as labouring classes are able to place under democratic control greater parts of the economy and polity. Nevertheless, they represent genuine processes

of socio-economic transformation which have contributed significantly to the human development of their protagonists and their communities.

The remainder of this article is structured as follows. Part 2 argues how even though EDT relegates class relations to (at best) secondary importance compared to strategies of state and capital, it still recognises these relations. We argue, contrary to EDT, that these relations should be the primary objects for development analysis. Part 3 interrogates and theorises the nature of the capital-labour relation and, on this basis, argues that it provides the basis for our conception of Labour-Centred Development (LCD). Part 4 provides two historical-empirical case studies of LCD - the Chilean *cordones industriales* and the Argentinian *empresas recuperadas por sus trabajadores* (ERT) movement. Part 5 concludes by discussing the prospects for LCD as a realistic rival to EDT.

2 – CLASS RELATIONS IN ELITE DEVELOPMENT THEORY

This section provides a brief discussion of the Washington consensus and Statist Political Economy, as representatives of Elite Development Theory. In many ways neodevelopmentalism in Latin America represents a particular amalgam of these two traditions, with the addition of limited progressive social policy (Saad-Filho: 2015, Webber: 2015). Whilst labour control and exploitation are recognised by EDT, the class struggles waged *from above* by states and capital necessary to achieve it, are neither theorised nor recognised as constitutive of the development process. Rather, they are subsumed within EDT's primary foci, in particular state capacity and innovative entrepreneurial drive. This subsumption

obscures the importance to EDT of class relations in general and labour control in particular.³

2.1 Washington-Consensus Style Neoliberalism

The Washington Consensus (WC) conception of development derives from Adam Smith's understanding of gains from specialization, David Ricardo's theory of comparative advantage, and marginalist economics' emphasis upon 'perfect' markets. For the purposes of this article, it is the last in this triptych that reveals most clearly the labour repressive core of this variant of EDT. The marginalist conception of (perfect) markets holds that rigidities or inflexibilities reduce welfare gains from market participation.

The concept of market inflexibility is utilized by WC proponents to theorise and justify (deleterious) reforms to workers' conditions. Eliminating labour market inflexibilities is held to generate virtuous circles of rising firm profits, greater employment, and higher economic growth. Labour market inflexibilities were defined by Robert Solow as follows:

[A] labour market is inflexible if the level of unemployment-insurance benefits is too high or their duration is too long, or if there are too many restrictions on the freedom of employers to fire and to hire, or if the permissible hours of work are too tightly regulated, or if excessively generous compensation for overtime work is mandated, or if trade unions have too much power to protect incumbent workers against competition

³ For reasons of space we do not discuss a range of Marxist traditions that exist within the orbit of EDT. But see Selwyn (2016).

and to control the flow of work at the site of production, or perhaps if statutory health and safety regulations are too stringent (Solow: 1988, 1).

Restoring labour market flexibility is portrayed as being in workers long-run interests. For example, Anne Kreuger argues that ‘with a sufficiently low urban wage, a zero unemployment level is a feasible outcome...’ (Kreuger: 1983, 20).

Connell and Dados (2014) argue that neoliberal economic policies originated in Latin America and were only later formalised as the Washington Consensus. Indeed, Pinochet’s 1973 coup in Chile signifies the first significant attempt to genuinely establish a liberal economy with minimal labour market distortions. The intense violence, both direct (the tortures and murders during and after the coup) and indirect (through the labour market and the generation of mass unemployment and very low wage jobs) were welcomed by neoliberal supporters. Friedrich Hayek wrote how “I have not been able to find a single person even in much-maligned Chile who did not agree that personal freedom was much greater under Pinochet than it had been under Allende” (1978).

Connell and Dados (2014) argue that neoliberal type policies play an important role for peripheral countries’ elites. They rationalise these countries’ insertion into the world economy based on their comparative advantage. Consequently, such policies do not need to be forced upon these elites by northern powers, but in many ways reflect the former’s interests. Such elites, often organised around the agro-export sector, are resistant to state-led attempts to shift resources into industry. This is so, particularly, because such attempts often involve alterations in class relations.

The Washington-Consensus has been intellectually opposed by Statist Political Economy. However, despite important policy differences between

neoliberal and statist political economists these two traditions share much common ground, in particular their refusal to consider how labouring classes can forge their own development strategies.

2.2 Statist Political Economy

Statist Political Economy (SPE) is rooted in the work of Alexander Hamilton (1791) and Friedrich List (1856). In Europe and North America following World War 2 arguments for state-economic direction were formulated by thinkers such as Gerschenkron, Kaldor, and Hirschman (see Selwyn: 2009). In Latin America it was articulated by the structuralist school, which emerged in crisis years following the 1929 crash. The Prebisch-Singer thesis represented a powerful rejection of the rationale of global integration based on comparative advantage precepts (Kay: 1989). Contemporary advocates of SPE, drawing on Chalmers Johnson's (1982) concept of the Developmental State include Robert Wade, Ha-Joon Chang, Alice Amsden, and Atul Kohli, and Peter Evans (see Selwyn: 2014). In Latin America, this has been complemented by the re-emergence of (neo)structuralist thinking, a major innovation supportive of neodevelopmentalist strategies around the pink tide (Leiva 2008).

SPE represents a partial critique of liberal economics. It shows how contemporary developed countries did not industrialise according to comparative advantage maxims, but pursued 'infant-industry' strategies – including protective tariffs, subsidies and provision of R&D to nascent industries, and facilitation of reverse engineering.

Whilst many states attempted to facilitate rapid industrialization through the above mentioned strategies in the decades following decolonization, not all succeeded. SPE explains these divergent outcomes by emphasizing state capacity to establish and orientate elite planning bodies. Evans' (1995) concept of

‘embedded autonomy’, drawing on Weber’s (1978) concerns with bureaucratic-rationality, represents an attempt to theorise dynamic relations between developmental state bureaucracies and business elites that generate long-term growth and industrial transformation.

The above mentioned insights into the development process are important correctives to the WC insistence that ‘free markets’ are the best way to facilitate rapid economic development. SPE’s ability to effectively disprove a central argument of the WC explains its popularity as an alternative development strategy to neoliberalism. But SPE’s ‘progressive’ status is founded upon shaky ground. It is just as much committed to labour control and exploitation as is WC neoliberalism.

For example, in her study of South Korean industrialisation, Alice Amsden (1990, 13–4, 18) recognises how ‘[h]igh profits in [its] mass-production industries have been derived not merely from investments in machinery and modern work methods... but also from the world's longest working week.’ And alongside effective investments, ‘cheap labour’ and ‘labour repression is the basis of late industrialization everywhere’.

In his comparative study of late development in South Korea, India, Brazil and Nigeria, Atul Kohli (2004) illustrates the ability of the former state to allocate resources efficiently and to successfully implement long term industrial upgrading strategies. He notes, like Amsden, the need for strict workplace discipline. He also compares South Korea to the interwar European Fascist states. He concludes that:

Generally right-wing authoritarian...[these states]... prioritize rapid industrialization as a national goal, are staffed competently, work closely with industrialists, systematically discipline and repress labour, penetrate

and control the rural society, and use economic nationalism as a tool of political mobilisation (Kohli 2004, 381).

In Latin America the record of statist economic orientation is more varied. On the one hand Vargas's fascist-inspired Estado Novo (1937-1945) and the Bureaucratic Authoritarian dictatorships of Brazil and Argentina in the 1960s and 1970s (O'Donnell: 1979) are comparable to the East Asian developmental states. On the other hand, Cárdenas' Mexico in the 1930's represented a case of state-assisted industrialisation with a significant degree of popular incorporation through land reform, implementation of minimum wages, trade union recognition and the establishment of corporatist-relations between state agencies, business sections and worker's organisations (Haggard: 1990). Whilst varied the more progressive examples of statist political economy in Latin America have nevertheless been based upon the containment and restriction of labouring class collective actions.

Whilst SPE represents a powerful critique of WC neoliberalism it rests, ultimately, upon the same axiomatic foundations as the WC. It intellectually denies labouring classes the agency to forge their own developmental strategies, and advocates and justifies the latter's political repression and economic exploitation for the 'higher goal' of national development.

EDT's subsumption of the labour question to its higher priorities of (combinations of) innovative entrepreneurial strategy and state resource generation and allocation relegates the capital-labour relation to secondary importance within the analysis of development. Labour control tends to be conceived of as a technical issue, to be resolved by state agencies and firm managers. Interestingly, Max Weber expressed well the concerns common to EDT in his conception of economic rationality. The latter requires the firm subordination of labour to capitalist managers:

It is generally possible to achieve a higher level of economic rationality if management has extensive control over the selection and the modes of use of workers, as compared with the situation created by the appropriation of jobs or the existence of rights to participation in management. The latter conditions produce technically irrational obstacles as well as economic irrationalities. In particular, considerations appropriate to... the interests of workers in the maintenance of jobs... are often in conflict with the rationality of the organisation (Weber: 1978: 137-8).

Hence, while Weber advocates ‘extensive control’ by management over labour, he recognises that the latter has its own concerns, which might come into conflict with the former. This observation is important, because as we shall argue below, it opens the way towards an alternative conception of resource allocation, social wealth and social relations, and ultimately of human development.

3 - THE POLITICAL ECONOMY OF LABOUR AND THE THEORY OF LABOUR-CENTRED DEVELOPMENT

Elite Development Theory understands the process of development from the perspective of capital. It views capital’s needs (of accumulation and enhanced competitiveness) as the basis for achieving human development. It also views labour from the perspective of capital – where labour’s needs (for better conditions and higher wages) are achieved on the basis of securing, firstly, capital’s needs. The roots of EDT’s elitism, therefore, is to view the world through the lens of capital.

This section, in contrast to EDT, introduces the twin theories of the political economy of labour and Labour-Centred Development.⁴

In his inaugural address to the first International Marx provided two examples of the political economy of labour. The first example, the Ten-Hours Act (introduced in England in 1847 which legally reduced the working day to a maximum of ten hours), was the first time that “in broad daylight the political economy of the [capitalist] class succumbed to the political economy of the working class” (Marx: 1864). The second example was the creation of worker-run cooperative factories. The latter were of great significance because ‘[b]y deed instead of by argument... [such organisations]... have shown that production on a large scale, and in accord with the behests of modern science, may be carried on without the existence of a class of masters employing a class of hands’ (ibid).

The theory of Labour-Centred Development derives from the political economy of labour, and has a fundamentally different conception of social wealth and how to utilise it than EDT.

EDT views the relationship between labour and capital as follows:

$K - WL - K'$,

where K = capital and WL = wage labour. In this schema capital reproduces and expands itself (accumulates and heightens its competitiveness) through its employment of wage labour in order to generate exchange values (goods to sell on the market), and surplus value (K'), through an institutionalised capture of workers’ unpaid labour.

From this vantage point, any disruption to capital’s employment of wage labour harms capital’s objectives of accumulation *and* labour’s objectives of

⁴ As will become apparent, this section draws upon the work of Michael Lebowitz (1992).

higher wages and better working conditions (such as shorter hours). A range of strategies designed by capital to discipline labour are therefore theoretically and practically justified. As will be argued below, these strategies are not only used to secure the production of exchange values and surplus value. They are also used in order to preclude the emergence of the political economy of labour.

A Labour-Centred Development (LCD) perspective starts from the opposite side of the capital-wage labour relation. It views the relationship between wage labour and capital as follows:

WL – K – WL.

Here labour must sell itself to capital in order to earn the wages required to reproduce itself. Put differently, capital mediates the reproduction of labouring class needs. However, in this context of mediation, the objectives of labour are not simply subsumed under those of capital, but are sought by workers sometimes within the wage-labour relation and sometimes against it. Importantly, as will be discussed, the objectives of labour generate an alternative vision of social needs and social wealth, which *can* give rise to an alternative political economy of development. These two sets of needs (of capital and of wage-labour) mostly co-exist within an institutionally defined context where the needs of the former determine those of the latter. But the fact of the existence of the latter means that there is always the possibility that it will, through collective action, begin to be formulated in ways that reject the primacy of capital and its mediating role.

From this perspective the core concerns for LCD analysis are not those of capital (how to secure accumulation), but those of labouring classes. These include workers' ability to reproduce their wage labour outside work (i.e. to earn enough wages and have enough time to secure the basic necessities of life and to

engage in culturally-enhancing activities such as socialising and education), extending to more free time (shorter working days) and more decision-making ability within the workplace (to reduce the burden of work) (see below).

Because EDT views labouring class needs as deriving from securing the needs of capital, it fails to comprehend or attempts to obscure, the potential existence of a rival political economy to its own. Furthermore, EDT's capital-centric vantage point means that it reduces labour power, and consequently a large segment and sometimes the majority of society, to an input into the production process.

LCD's vantage point – its recognition of the potential existence of two rival political economies of human development – enables it to comprehend labour power as something fundamentally different to that envisioned by EDT.

As Michael Lebowitz (2003, 127) describes:

The value of labour-power looks different from the two sides of capital/wage-labour relation. Just as for capital it is the cost of an input for the capitalist process of production, for workers it is the cost of inputs for their own process of production.

Consequently:

Two different moments of production, two different goals, two different perspectives on the value of labour-power; while for capital, the value of labour-power is a means of satisfying its goal of surplus value...for the wage-labourer, it is the means of satisfying the goal of self-development (Lebowitz: 2003, 127).

Whilst EDT claims to point to a future characterised by a high and rising level of human development, the way it views the capital – wage-labour relation (K – WL

– K') illustrates how, for labouring classes, that future will be one eternally circumscribed by the needs of capital. If in that future capital is unable to realise its objectives of accumulation and enhanced competitiveness, labouring class needs are expendable.

LCD's view of the capital – wage-labour relation (WL – K – WL) suggests both a variety of ways in which labouring classes can reproduce themselves vis-a-vis capital (including various forms of control/regulation of capital), and opens the way to enquiring how, and under what circumstances capital can be removed from its mediating role, or put differently, how labouring classes can reproduce themselves and fulfil (identify, meet, expand) their needs without capital.

One or Two Political Economies?

The LCD perspective advanced here argues that the political economy of labour represents a potential rival to the political economy of capital. Its rivalry is expressed, most clearly, through a) its different conception of social wealth and how to use it, and b) through its struggle with capital to make a) part of societal common sense (to a greater or lesser extent). A form of this struggle that is constitutive to the capitalist development process is that pursued by capital to deny the existence of a rival political economy to itself. As Lebowitz notes, '[C]apital does not merely seek the realisation of its own goal, valorisation; it also must seek to suspend the realisation of the goals of wage-labour' (Lebowitz: 1992, 85). Lebowitz and Marx are clear of the ruinous effects upon labouring classes if they are to internalise the political economy of capital. According to Marx, in an ideal world for capital:

What the lot of the labouring population would be if everything were left to isolated, individual bargaining, may be easily foreseen. The iron rule of

supply and demand, if left unchecked, would speedily reduce the producers of all wealth to a starvation diet (Marx:1867)

However, workers' organisations contradict these rules and potentially represent an alternative political economy. Collective gains against capital are won through 'negating competition, [and] infringing on the 'sacred' law of supply and demand and engaging in 'planned co-operation''. (Lebowitz: 1992, 67, citing Marx).

The political economy of labour is generated by labouring class collective actions. In turn it gives rise to novel developmental dynamics that are invisible and antithetical to EDT.

States and the Capital-Labour Relation

States play a central role in constructing and managing the political and legal structures within which capital accumulation occurs. These structures constrain workers' ability to organise, by determining which actions are legally recognised. States work to naturalise and implement across society the political economy of capital. Bob Jessop's (2001, 2008) conception of the state as a strategic relational actor illuminates how states engage in building institutions designed to structure the behaviour of their citizens and social classes, to simultaneously reproduce state power and to guarantee the process of capital accumulation. 'Institutionalisation involves not only the conduct of agents and their conditions of action, but also the *very constitution* of agents, identities, interests and strategies (Jessop: 2008, 1230 emphasis added).

However, states also respond to labour's collective actions in ways that individual firms do not. Hence, the production and reproduction of state institutions, 'is incomplete, provisional, and unstable, and... coevolve[s] with a

range of other complex emergent phenomena' (Jessop: 2001: 1228, 1230). State institutions, ranging from those established to manage the capital-labour relationship (ministries of labour) to their welfare functions, to their democratic forms, can themselves be understood as outcomes of prior and on-going struggles between capital and labour. The implications of this conception of the state is firstly, that through collective actions labouring classes can extract human developmental gains from states and capital. As we shall illustrate in the following section, because capitalist states are partially flexible, there are at particular historical conjunctures opportunities for 1) the absorption and institutionalisation by the state of aspects of the political economy of labour within the social structure of accumulation and 2) the *partial* emergence and co-existence and of the political economy of labour with the political economy of capital.

The strategic-relational conception of the state also potentially illuminates the tensions and limitations arising from capitalist states' incorporation and institutionalisation of labouring class demands and movements. That the political economy of labour potentially represents an opposing conception of social wealth to that of the political economy of capital – what it is, to what ends it should be used, how it should be allocated – means that the former's incorporation and institutionalisation within the state will be subordinate to the latter's. Furthermore, it is likely that representatives of the latter will attempt to strictly delimit and potentially reduce labouring class influence within the state. As we shall in both cases below, incorporation into the state often leads to the disarticulation of and/or deepening conflict with workers' movement as a consequence of these limitations.

4 - LABOUR-CENTRED DEVELOPMENT IN LATIN AMERICA

In this section we will examine two cases of labour-centred development: the *cordones industriales* in Chile and the *empresas recuperadas por sus trabajadores* (ERT) in Argentina. We show that the developmental outcomes of both cases derive from the historical contexts in which they were established, the origins of their emergence, and the organisational forms established by workers. Significantly, whilst the Chilean factory occupations occurred in the context of widespread revolutionary tumult, with the electoral victory of Salvador Allende in 1970 and mass mobilisations throughout the economy continuing throughout the three years of his government, those in Argentina are a marginal, albeit growing, phenomenon. As we show in our case study, current employment levels remain below 10 000 workers which, although significant, highlights the immense challenges faced across the disparate sectors to which these workers contribute.

From here, we explore the developmental outcomes and their implications for understanding a development led by and for workers. Findings are drawn from primary and secondary empirical data and focus on four core aspects:

- (1) Growth and productivity
- (2) Employment data
- (3) Workplace organisation
- (4) Production priorities

Moreover, whilst many of the changes were (and continue to be) dramatic and the lessons that can be drawn from them potentially transformative, we acknowledge their limitations. In this sense, we show that the struggle that we place at the heart of the development process is, as argued by Michael Lebowitz (2003: 204), less the result of labour placing barriers to the political economy of capital, but rather capital continually mobilising to impose barriers to the political economy of labour, and by and large, succeeding in its attempts to do so.

4.1 - Chile and the cordones industriales: a revolution in development

Nearly consigned to the post-Cold War dustbin of history, the *cordones industriales* have begun to excite the interest of scholars across disciplines (Gaudichaud 2004; Castillo 2009; Fishwick 2015a). The surge of workplace occupations that accompanied the electoral success of Salvador Allende and Popular Unity (UP) marked the emergence of the *cordones industriales*. Literally translated as “industrial belts”, they comprised a range of small, medium, and large factories throughout Santiago. Workers occupied them initially in defensive mobilisations against bankruptcy, employer sabotage, in response to unpaid wages, and, later, in offensive mobilisations to further a socialist political project (Angell 2010: 48; Gaudichaud 2005: 97; Castillo 2009: 158-159). These occupations accelerated throughout the three-year government of the UP and peaked after the Bosses’ Strike of October 1972 that saw employers’ associations and their political allies attempt to paralyse the economy (Valenzuela 1989 cited in Salazar & Pinto 2010b: 45). In response, workers in the *cordones* mobilised, establishing new networks of supply, introducing alternative production relations, and consolidating relations between occupied firms.

Central to establishment of the *cordones* were links between worker-led firms and the state. Large firms – nationalised and incorporated into the Social Property Area (APS) – played a leading role. Those in the textile sector, for example, were central to some of the most active of these nascent organisations. Workers from these firms played a leading role in the organisation of the *cordones*, establishing networks of production and exchange, providing the spaces for mass meetings where the decisions were taken about occupation, mobilisation, and self-management, where armed defensive groups were organised to protect against right-wing militias and growing police and military

violence, and where much of the technical expertise that was disseminated originated.⁵

Political activists, particular those from the Revolutionary Left Movement (MIR), also played an important role in this process (Luciano in Gaudichaud 2004: 114; Cancino 1988: 217). But it was the increasingly contested practice of worker participation, including in the management of production, which was crucial. Participation schemes were introduced to firms in the APS (as will be discussed below), but in many of the smaller plants workers set the terms of their own participation. Significantly, relative neglect by the UP produced a new set of social practices labelled as a “new popular sociability” in these workplaces, as the need to act outside established “formal institutional pathways” subverted established forms of participation (Castillo 2009: 241-242; Moulian 2006: 268). As a result, formal demands in “First Textile Workers Meeting” on the 14th and 15th July 1973 criticised the state-led schemes as “superstructural” (Castillo 2009: 245-246). For workers in the *cordones* both in the small and large factories, the “road to socialism” being pursued by the UP simply did not meet the expectations created by their experiences in the spaces they now controlled.

It was these new spaces and emergent practices that were central to new forms of development. The UP sought, through a policy of “reactivation”, to increase output through subsidy and credit to nationalised firms and through centralised control over production. These measures ranged from the worker participation schemes to early “cybernetic” programme for automated control over production (Medina 2011).

Workers were mobilised through the Communist Party-inspired “battle for production” slogan, which called on those in the factory to boost output to support

⁵ See Winn 1986 for details of the relationship between Yarur and *cordon* O’Higgins and Castillo 2009 for details of the role of the relationship between Textil Progreso and *cordon* Vicuña Mackenna, Yarur and *cordon* O’Higgins, Sumar and *cordon* San Joaquín, and Said and Perlak and *cordon* Cerrillos-Maipú.

the UP (Fishwick 2015a). In the workplace this translated to a reorientation of the priorities of production. Rather than productivity increases based on the intensification of the working day, improvements were achieved through improved utilisation of machinery and increased employment.⁶

Table 1: Output for Selected Textile Firms in APS, 1970-1971 (*FENATEX* 09/71, 3: 4-5; Fishwick 2015b: 178)

Firm	Duration	Changes in Output
Paños Oveja	1970 to 1971	Fabric (metres): 110 000 to 140 000
Bellavista	1970 to 1971	Fabric (metres): 90 000 to 196 800
FIAP	1970 to 1971	Fabric (metres): 70 000 to 128 900
Fabrilana	February 1971 to June 1971	Processed wool (kilos): 38 120 to 81 019
Sumar Seda	February 1971 to July 1971	Patterned wool (metres): 227 564 to 435 420
Sumar Algodón	May 1971 to July 1971	Spun cotton (kilos): 330 296 to 357 725 Cotton fabric (metres): 1 518 053 to 1 823 596
Algodones Hirmas	June 1970 to June 1971	Yarn (kilos): 386 043 to 473 310 Finished fabric (metres): 1 665 559 to 1 711 786

Output increased notably (see Table 1). Of those large textile firms in the *cordones*, Ex-Sumar Planta Poliester saw an increase in output of between 15 per cent and 20 per cent and Textil Progreso raised output by 19 per cent within the first year of its incorporation into the APS. In addition to increased output, the needs of workers were addressed in new ways. Within these factories, they constructed a paediatric clinic, a nursery for forty children, provided transport for

⁶ Economic data is drawn from some remaining examples of trade union newspapers *Central Única* and *FENATEX* held in the National Library in Santiago, Chile. However, one legacy of the Pinochet dictatorship was to ensure trade union and opposition party archives, radical newspapers, and personal documents were largely destroyed (Erickson *et al* 1974: 121). Consequently, findings are necessarily fragmentary and incomplete.

workers, and improved medical services (*FENATEX* 07/71, 1: 2; *Central Única* 6-7/1972, 9: 7). Increases in production volumes were orientated toward making a tangible difference to the lives of workers, their families, and their communities, rather than, as prior to workers' control, to demands of accumulation and profitability.

Dramatic changes also occurred in rates of employment across leading sectors. Prior to 1970, productivity increases relied on employment reduction and the introduction of modern techniques of workplace organisation (which will be discussed further below). At Yarur, for example, the largest textile firm in Chile, a failed general strike in 1962 allowed the firm to fire over 1000 workers, which was the amount recommended by American advisors Burlington Mills for its modernisation (Winn 1994: 30-31). In contrast, after 1970, the largest firms – as a result of increasing output levels achieved under workers' control and of workers utilising new machinery in new ways – were extensively hiring new workers. For example, at Rayón Said, a leading producer of synthetic fibres, production increases of over 50 per cent allowed for the hiring of forty new workers (*FENATEX* 07/71, 1: 2). Reflecting these changes on a national scale, between 1970 and 1973, manufacturing employment throughout the economy rose by over 100 000 to roughly 664 000 (Stallings 1978: 256-257).

Alongside such changes in production and employment, wages also grew significantly (table 2).

Table 2: Real Industrial Wage Index, Chile, 1970-1973 (1955 = 100)
(adapted from Pinchot 1991: 538; Fishwick 2015b: 72)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1970	6 211	3 948	157
1971	8 873	4 753	187
1972	14 641	8 432	174
1973	44 366	38 329	116

Despite the rapid inflation that occurred in 1973 that reduced the value of real wages, increases in nominal wage rates had an important effect on the lives and livelihoods of workers not just in the largest factories – where wages had always been higher – but throughout industry. Overall, as a result of these wage increases, workers’ relative share of GDP rose from 51 per cent in 1970 to 62.9 per cent in 1972 (Salazar & Pinto 2010a: 47).

New and increasing employment levels came with important transformations in the workplace. Workplace relations previously were typified by strong managerial discipline, relatively limited political representation, and poor working conditions (Angell 1969; Fishwick 2015b). In contrast, worker participation became a central feature of those firms in the APS and the *cordones*. For example, General Workers’ Assemblies were established that chose representatives to an Administrative Council and Production Unit Assemblies. At their peak, these schemes incorporated around 50 000 workers across the manufacturing sector (Frias *et al* 1987: 38; Silva 1999: 85-86). At Yarur, this “comanagement...stretched from the production committees on the factory floor elected by each work section to the enterprise’s Council of Administration”, with “the transformation of workers into managers...Ex-Yarur’s most significant achievement” (Winn 1986: 210-211).

As previously highlighted, these practices of participation were intensified and transformed within the network of firms in the *cordones*. At the height of the Bosses Strike in 1972, for example, materials and expertise were lent between factories as production was continued without the presence of owners. In *cordon* Cerillos-Maipú, production, distribution, and supply were coordinated by workers, whilst workers at Ex-Sumar made trade and credit arrangements with neighbouring factories. Technical advisors gave assistance to smaller firms, whilst in workplace assemblies questions were openly raised on the division of

labour, factory hierarchy, and the legitimacy of private ownership (Hernán Ortega in Gaudichaud 2004: 202; Castillo 2009: 175 & 234-235; Gaudichaud 2005: 95).

The new social organisation of production, premised on worker-led networks of small and large firms not only upended the strict hierarchy of previous management, but also led to innovation in the factories. At Ex-Yarur, for example, the maintenance division was transformed to produce three quarters of previously imported spare parts. Worker initiative also produced other changes, including new ventilation systems, production processes, and accounting systems (Winn 1986: 212-214). Moreover, there were signs of an important change from production for exchange value to production for use value, particularly addressing the needs of workers. As described by one metalworker in *cordon* Vicuña Mackenna: “the freedom of work is one of the essential successes. Now there is no police repression and we are producing for the people” (Javier Hernández in Mujica 2013: 22-23). As an example, in one fine furniture producer, workers began to manufacture cheap furniture for their own communities. This was understood as “real” participation in economic activity – the reorientation of production and development priorities to serve the interests of the workers themselves (Mario Olivares in Gaudichaud 2004: 167-168). As shown in Peter Winn’s in-depth ethnography of the Ex-Yarur plant, wholesale changes were underway in productive activity, social consciousness, and in a transformation towards “a uniquely Chilean economic democracy” (Winn 1986: 226). Complementing these “economic” developments were the integration of the cordones into the *comandos comunales*, community organisations that included mothers’ centres and neighbourhood councils (Vergara 2008: 162). Consequently, the *cordones* began to move via these engagements from survival responses to crisis to new, and potentially transformative, practices inside and outside the workplace.

Despite (or perhaps even because of) the relative success of the *cordones industriales* the barriers they faced were substantial. Internal and external challenges included a burgeoning black market, bureaucratic intransigence, and complaints such as those from workers at Ex-Sumar who decried the lack of engagement from the UP and difficulties in mass meetings, including a lack of “discipline” amongst some of their fellow workers in the factory (Silva 1999: 267-268). Tensions with the ruling UP coalition – particularly with the Communist Party – were also pronounced. For the UP, those in the *cordones* represented an ultra-left, radical fringe (Juan Alarcón cited in Gaudichaud 2004: 99). But for workers, the UP simply did not represent their new experiences of workplace control. Workers from the *cordon* Macul, for example, explicitly criticised the PC and the textile trade union FENATEX and, on 22nd June 1972, workers from across the *cordones* occupied the Communist-led Labour Ministry to oppose negotiations aimed at returning some of the leading occupied factories (Tomás Inostroza in Gaudichaud 2004: 222; Castillo 2009: 147-148).

As the *cordones* became even more prominent after October 1972, and as a sign of increasing efforts to placate opponents and dismember their nascent organisation, the government ordered the abandonment of occupied factories and cleared protests and barricades with tanks and armed forces administrators sent to the unruliest factories (Silva 1999: 212 & 238-239). This violent response was a sign of the increasing opposition that was emerging to the *cordones* as an alternative political economic organisation. Yet repeated efforts by the UP to marginalise and undermine them failed. It was only the military that, using the *cordones* as examples of “Soviets” plotting an armed takeover of the country, destroyed them in and after the coup of 11th September 1973.

4.2 - Argentina and the *empresas recuperadas*: reclaiming development

In the wake of the 2001 crisis in Argentina numerous new social movements emerged, with one notable example being the *empresas recuperadas por sus trabajadores* (ERT). There has been a significant amount of recent research on ERTs, focusing on labour process and production (Vieta 2010 & 2012), interaction with the labour movement and the state (Dinerstein 2007), and evolving political identities (Palomino *et al* 2010; Sitrin 2010; Vieta 2012). The following section synthesises empirical findings of this and other research alongside using detailed analyses produced by Ruggeri (2010, 2014).

The ERTs comprise several hundred enterprises occupied by workers and converted into cooperatives. Recent research has identified 311 factories involving 13 462 workers. Of these, 144 were established between 2001 and 2004 and 63 between 2010 and 2013 (Ruggeri 2014: 7; Palomino *et al* 2010: 253). Their composition is wide ranging, but mainly represented by SMEs in the industrial sectors of major cities. Of the 170 such firms in 2008, 50 per cent employed between 15 and 49 workers, 130 were industrial firms, and 104 were situated in and around Buenos Aires (Palomino *et al* 2010: 257-259). Despite their official status, the ERTs stand apart from the traditional cooperative movement. Some reject its “conservative” position, whilst others reject it on a more pragmatic basis, highlighting the inadequacy of existing cooperative laws (*ibid*: 270-271).

As a general trend, the majority of ERTs were founded through struggle (Lavaca Collective 2004). This was apparent, for example, at the Brukman, but also in many other examples:

We were going on fifteen days during which, although there was a ton of work, they didn't pay us a cent. There was growing unrest that broke out on the fifth floor, in the pants section, where there was a smaller group than ours... Their anger was boiling over faster than ours, and they practically stopped production... Supposedly we took home a

hundred pesos every Friday, but that was already history at this point (Matilde Adorno, Brukman worker cited in Lavaca Collective 2004: 67-69)

Such a process is crucial in foregrounding what Maurizio Atzeni (2010) calls the “living encounter” of solidarity. As a result, the extent of conflict has a tangible impact on the organisation of the ERTs. For example, the length and veracity in the initial takeover of the firm has been shown to correlate directly with the likelihood of workers establishing equitable pay arrangements (Vieta 2012: 144-145).

In the course of these takeovers, moreover, political parties and traditional activists have played a limited role. In a few cases, such as at Brukman and Zanón, *piqueteros* and community assemblies supported workers, with local socialist parties involved after the initial occupations, and organisations, such as the National Movement of Reclaimed Factories (MNER), supporting their transition from private to collective ownership (Kabat 2011: 367; Lavaca Collective 2004: 65-66; Rossi 2015: 99; Deledicque *et al* 2005: 61). Yet it was workers with little or no political experience who took the initiative (Vieta 2012: 131-132). They were mobilising in response to their own experience and to achieve their own aims.

Consequently, ERTs have increasingly been consolidated by their members. Some are now legally protected entities utilising the legal framework centred upon the National Institute of Associative Activities and the Social Economy (INAES). To achieve such a status, at least six workers must sign the agreement and guarantee 10 per cent of the total minimum legal salary (approximately US\$45 in 2004) to INAES. Workers also utilise the now-reformed Bankruptcy Law that permits them to establish the cooperative within an existing factory without taking on the existing debts (Rossi: 2015: 102). This process has led to approximately 12 per cent of occupied factories gaining the status of permanent

expropriation (Ozarow & Croucher 2014: 996). In 85 per cent of cases of expropriated factories national, provincial, or municipal subsidies have helped support ERTs and, furthermore, 82 per cent of occupied factories have received financial support from other ERTs (*ibid*: 996-997). The latter, in particular, helps to prevent an over-reliance of state subsidy, going some way to ensuring the ERTs remain relatively independent, worker-controlled spaces.

Within these new spaces the practices of labour-centred development are clear. In a quote from a leading figure at Zánón, a ceramic tile factory that was one of the first to be occupied and converted to a cooperative, the relative success of the experience is apparent:

In October 2001, the workers officially declared the factory to be 'under workers' control'. By March 2002, the factory fully returned to production... During the period of workers' control, the number of employees has increased from 300 to 470, and wages have risen by 100 pesos a month, and the level of production has increased. Accidents have fallen by 90% (Elliot 2006)

However, whilst larger, more successful firms such as Zánón have been able to increase output and productivity, in general production statistics have not been as positive. In 2002, most ERTs, for example, were producing at between 30 and 60 per cent of capacity in comparison to peaks under private ownership (Ruggeri *et al* 2005: 65-76 cited in Vieta 2012: 137). Yet improvements have been notable in recent years. Between 2002 and 2010, there was an overall increase in the productivity and output levels across ERTs, with around 57 per cent of factories now producing above 60 per cent of capacity (Ruggeri 2010: 29).

In terms of wages and employment ERTs have been an undeniable success compared to many workers' former experiences of employment. For example, 56 per cent maintain a policy of equal pay and more than half of those that do not

have a maximum pay gap of below 25 per cent (Ozarow & Croucher 2014: 999). Between 2004 and 2010, moreover, the number of workers in ERTs has increased from roughly 7000 to around 9400. Of this increase, 1762 are from newly established ERTs, meaning that around 700 were the result of rising employment levels (Ruggeri 2010: 39). Significantly, many new workers have been brought into the cooperative as full members. For example, in those ERTs established between 2010 and 2013, only 2 per cent of workers are hired on contracted terms and the majority of these are either aspiring to be members or hired solely for fixed terms (Ruggeri 2014: 34). As with decisions over pay parity, it is the extent of earlier struggles that have determined whether new workers become part of the cooperative or are hired as contracted employees (Kabat 2011: 376).

The most significant innovations in these factories, highlighting their genuine transformational potential, are in the transformation of the social organisation of work. Decision-making has been democratised, with the majority of ERTs managed by workers' councils through regular assemblies. Eighty-one percent of council and assembly members are appointed directly from the factory floor in those ERTs established after 2010, with fewer than twenty-seven percent having previously acted as union delegates (Ruggeri 2014: 39). Everyday issues are solved on the shop floor and new work processes approved and adopted amongst flexible work teams (Vieta 2012: 143; Kabat 2011: 377-380). New forms of accounting address the alienation felt by workers from the production process under private ownership, utilising new methods to transcend previous regulatory and institutional controls (Bryer 2012: 45-46). Overall, the "humanising" of the labour process and the transformation of the workplace has been notable. Flexible work, slower production processes, and the "incorporation of play and rest in the transformation of the rhythm of the working day" demonstrate an overcoming of the disciplining effect of work and the workplace (Vieta 2012: 142). This has been complemented by the elimination of the

distinction between manual and intellectual work, increasing delegation, and growing versatility as workers take on new tasks in the workplace (Kabat 2011: 376). Job rotation is a particularly significant practice, shifting away from prevailing hierarchical and repetitive structures of work. This occurs in over two-thirds of newly established ERTs, rising to seventy percent in those established prior to 2010 (Ruggeri 2014: 40). Workers, as such, are experiencing a new way of working, promoting the construction of an alternative development by being able to enjoy more control over their working lives, a more positive balance between work and leisure time, and learn a wider range of skills than under their former employers.

The interaction of these worker-managed firms with the community is also notable. No longer serving the interest of private owners, many offer open community spaces, health clinics, education programmes, and, in the cases of Zanon and the Workers' Solidarity Union (UST), a construction and parks maintenance firm, transfer revenue into community development projects (Vieta 2012: 147-149). Combined with the shifting attitudes in the workplace, these activities point towards a transformation in economic and social relations. New experiences of solidarity in the workplace have engendered new cooperative social relations that give new meaning to work and the beginnings of more "social production" orientated towards producing what is understood as social wealth rather than profit-orientated capitalist surplus (Vieta 2012: 138; Vieta 2010: 311-312). These intersect, moreover, with the horizontal social relations of the social movements and community organisations that emerged after 2001, contributing to the emergence of a new political subjectivity centred on production and occupation of the workplace (Sitrin 2010: 139-140).

Nevertheless, there are limits for the ERTs. Workers' control will always struggle to be translated into a non-capitalist form of labour-centred development as long as it exists within a capitalist sphere of circulation. In this instance, the

cooperative form of workplace organisation places significant constraints on workers in the ERTs. Marina Kabat (2011: 369-374) highlights how it has placed large financial burdens on newly established firms that, although somewhat overcome through the varied mechanisms described above, still stymie productive activity in many instances. She also points out that it has led, in many cases, to the return of capitalist relations in the factory, which include, most notably, the continued hiring of contracted employees and the sale of stock to external investors.

To counter these constraints, Baldacchino (1990: 473) argues for the creation of “counter-institutional” support. This has, to an extent, begun to occur. So-called intracooperative and intercooperative learning processes have been at the heart of relations within and between the ERTs and the latter have been formalised in vertical integration agreements that include the sharing of materials to eliminate the pressures of competition (Vieta 2012: 139; Ozarow & Croucher 2014: 997). Not only has this led to a change in the attitudes and activities of workers, but also to the relations between the occupied firms. Yet despite close local relations with other community and grassroots organisations, the wider “counter-institutional support” remains at an early and fragile stage. Moreover, whilst workers have gained enhanced freedom in work and, to a lesser extent, in exchange, they are still subjected to the laws of the capitalist market as transmitted via the sphere of circulation (Atzeni and Ghigliani: 2007: 668). The rigours of competition, securing customers and supplies, competing with existing producers in an environment hostile to these worker-led entities, and the constraints that derive from the cooperative form pose a serious threat to their continued existence.

5 - CONCLUSIONS

In the early years of this millennium the left turn in Latin America raised hopes amongst many progressives of a challenge to seemingly dominant forms of neoliberal economic orthodoxy and the establishment of new paths of human development. Some of these new regimes had gained political office based in large part on sustained mass movements and struggles from below. It was assumed widely – by participants in those struggles and by many commentators – that the regimes would embody the spirits and desires of these movements to alter in fundamental ways, the strategies, practices and outcomes of development in the region.

It has become increasingly apparent however, that the ‘left regimes’ have been more concerned with implementing forms of neodevelopmentalism than with establishing radically new forms of human development. Consequently, as increasing numbers of commentators have observed, these regimes have reproduced hierarchical, exploitative and oppressive regimes of capital accumulation and international integration, whilst providing some social benefits to the poorest of their societies.

This article contributes to the growing critiques of these regimes by illuminating how much development thinking, ranging across the political spectrum, is based upon axioms that prioritise elites as development actors and reduces the mass of the population to inputs into the development process. The article also provides an alternative conception, of development, rooted theoretically in Marx’s identification of the political economy of labour and demonstrated empirically in two case studies from Latin America’s rich history of labouring class collective action.

By illuminating the common axiomatic ground upon which much development theory stands, this article provides an explanation for the intrinsic limits to the progressive potential of neodevelopmentalism in Latin America. It suggests the need to burrow beneath the rhetoric of ‘progressive’ developmental

regimes in order to examine whether they are driven by movements which seek to transform continually labouring classes into developmental actors in their own right, or whether they seek to maintain existing hierarchical social relations whilst delivering some social reforms as a means to secure the (electoral) support of the masses. Elite Development Theory and practice takes many forms and it should not surprise us if new variants appear in the future.

The article also sought to provide an alternative conception of progressive social change, which it labels Labour Centred Development. Marx and Lebowitz's identification of the political economy of labour as a rival political economic force to that of capital represents, we argue, a significant theoretical point of departure for conceiving of alternative strategies, practices and outcomes of human development. The political economy of labour, realised through workers' collective actions, represents a prefigurative intellectual and political (material) force. Workers' collective actions can generate real developmental gains within capitalism, and can raise questions, theories and strategies for both expanding such gains and linking them to the potential transcendence of capitalist social relations.

In both cases presented here – the Chilean *cordones industriales* and the Argentinian *empresas recuperadas por sus trabajadores (ERT)* – labouring class collective actions generated new human development dynamics. In both cases these movements not only established collective forms of production and exchange, based upon principles and practices of democratic planning (i.e. democratic resource allocation), but they also demonstrated their ability to raise productivity and wages, and increase employment and reduce inequality within workplaces. They also demonstrated the capacity to interact and collaborate amongst themselves. Most importantly, we argue, they generated a new concept of human development, based upon democratic participation, in contrast to prior hierarchical forms of managerialism.

To be sure, the *cordones industriales* and ERTs flourished under relatively left-leaning political regimes. But the very election of these regimes was itself a partial product of mass struggle from below. In many ways the *cordones* and ERTs can be seen as embodying the spirit of the movements that brought the Allende and Kirchner governments to office. Moreover, both movements found their attempts to consolidate their gains and continue their attempts to democratise sectors of the economy frustrated by the regimes, hence illustrating the intrinsic limits of progressive policies delivered from above by capitalist states. The *cordones* and the ERTs face(d) the continuing dilemma of how to reproduce more democratic working practices whilst participating within a broader capitalist economy.

So, does Labour Centred Development realistically represent an alternative to varied forms of EDT and practice? After all, relatively well functioning examples of it are few and far between. Moreover, the limits faced by such attempts are significant. Surely, then, the best that can be hoped for are relatively progressive regimes that provide more rather than less social benefits for their populations?

If it were the true that examples of LCD were limited to ones like those discussed in this article, then perhaps such a conclusion would be warranted. But this is not so. The political economy of capital is not simply a theory (whether more statist or more market-based) of competitive accumulation. It is a practice that seeks to preclude the emergence of the political economy of labour.

The political economy of labour represents an alternative, labour-centred, vision of the social world. It can be considered as an ideological representation of labouring classes ‘for themselves’. It emerges from and further informs (successful) labouring class collective actions. LCD is a material product of successful workers’ struggles and movements.

The latent existence and sometimes emergence of the political economy of labour based upon labouring class collective actions means that LCD is potentially and partially generated in numerous cases and in myriad forms. Put differently, wherever there are newly forming or already established labouring classes attempting to ameliorate their conditions vis-à-vis capital and the state then there exist the possibilities of the emergence of the political economy of labour – the emergence of an alternative conception of how and to what ends social wealth should be produced, distributed, and consumed. Such collective actions and the visions of social change that they give rise to pave the way for a deepening of LCD.

Progressive thinkers, who place(d) so much hope in new forms of development being delivered from above, should consider whether it is better to look to collective actions from below as generative of more democratic, egalitarian, inclusive and cooperative forms of human development.

Many of the neodevelopmentalist regimes are now in crisis. As they turn towards more traditional (and authoritarian) forms of development, they will attempt, with ever greater intensity, to preclude the emergence of collective labouring class movements and their associated ideologies of progressive human change. The clash between elite led development, and attempts at LCD, which have often been occluded by relatively progressive social policy and the incorporation of subaltern movements into elite-led political movements, may become increasingly apparent. Under such circumstances the need for an alternative ideology, strategy, practice and conception of human development becomes ever more important.

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